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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MARC SPITZER, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

2006 MAR 14 P 12: 22

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
NACO WATER COMPANY FOR A RATE
INCREASE

DOCKET NO. W-02860A-06-0002

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On January 3, 2006, Naco Water Company, LLC ("NWC" or "Company") filed the above-captioned rate application with the Arizona Corporation Commission ("Commission").

On February 2, 2006, the Commission's Utilities Division Staff ("Staff") filed a letter indicating the Company's rate application was not sufficient pursuant to A.A.C. R14-2-103.

On February 9, 2006, the Company additional information pursuant to Staff's request.

On March 2, 2006, Staff filed a letter indicating the Company's rate application was sufficient, and classifying the Company as a Class C utility.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall commence on **September 14, 2006, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, **Room 158**, 400 West Congress, Tucson, Arizona 85701.

IT IS FURTHER ORDERED that **the Staff Report** and/or any direct testimony and associated exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before **July 17, 2006**.

IT IS FURTHER ORDERED that any **direct testimony** and associated exhibits to be presented at hearing on behalf of intervenors shall be reduced to writing and filed on or before **July**

1 17, 2006.

2 IT IS FURTHER ORDERED that any **response to the Staff Report** or rebuttal testimony and
3 associated exhibits to be presented at hearing by the Company shall be reduced to writing and filed
4 on or before **August 14, 2006**.

5 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
6 presented by the Staff and/or intervenors shall be reduced to writing and filed on or before
7 **September 1, 2006**.

8 IT IS FURTHER ORDERED that any rejoinder testimony and associated exhibits to be
9 presented at the hearing shall be presented orally at the hearing.

10 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
11 been prefiled as of September 1, 2006, shall be made on or before September 8, 2006.

12 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
13 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is
14 scheduled to testify.

15 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
16 except that all motions to intervene must be filed on or before August 31, 2006.

17 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
18 regulations of the Commission, except that through August 15, 2006, any objection to discovery
19 requests shall be made within 7 days¹ of receipt and responses to discovery requests shall be made
20 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and
21 responses shall be made in 7 days;¹ the response time may be extended by mutual agreement of the
22 parties involved if the request requires an extensive compilation effort; and no discovery requests
23 shall be served after September 8, 2006.

24 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
25 discovery, any party seeking discovery may telephonically contact the Commission's Hearing
26 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a

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28 ¹ "Days" means calendar days.

request, a procedural hearing will be convened as soon as practicable; and that the party making such a request shall forthwith contact all other parties to advise them of the hearing date and shall at the hearing provide a statement confirming that the other parties were contacted.²

IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by the Commission within 10 days of the filing date of the motion shall be deemed denied.

IT IS FURTHER ORDERED that any responses to motions shall be filed within five days of the filing date of the motion.

IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date of the response.

IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in this matter, in the following form and style:

PUBLIC NOTICE OF HEARING ON THE
RATE APPLICATION OF
NACO WATER COMPANY, LLC
Docket No. W-02860A-06-0002

On January 3, 2006, Naco Water Company, LLC ("Company") filed an application with the Arizona Corporation Commission for an increase in its rates. The Company has proposed an increase in revenues of \$221,149, an increase of 130 percent over its test year revenues. The actual rates approved may be higher or lower than requested by the Company and the effect on individual ratepayers may depend on usage. Copies of the Company's application and proposed tariffs are available at its office [COMPANY INSERT ADDRESS HERE] and at the Commission's offices in the Docket Control Center for public inspection during regular business hours. The application may also be viewed on the Commission's website, azcc.gov, by using the eDocket link. The Commission's Utilities Division Staff will file a recommendation to the Commission on the Company's application on July 17, 2006, and copies of that filing will be available at the Commission's offices in the Docket Control Center, and online, for public inspection after that date.

The Commission will hold a public hearing on this matter beginning **September 14, 2006, at 10:00 a.m.** at the Commission's offices, **Room 158**, 400 West Congress Street, Tucson, Arizona. Public comments will be taken on the first day of the hearing.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission no later than **August 31, 2006**. The motion to intervene must be sent to

² The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

the Company or its counsel and to all parties of record, and must contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different from the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case. You will not receive any further notice of this proceeding unless you request it.

If you wish to make written comments objecting to, or supporting this application. Mail them to:

Arizona Corporation Commission
Attention Docket Control
Re: Naco Water Company
W-02860A-06-0002
1200 W. Washington Street
Phoenix, Arizona 85007

If you have any questions about this application, or want further information on intervention, you may contact the Consumer Services Section of the Commission at 1200 W. Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Linda Hogan, at LHogan@cc.state.az.us, voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that the Company shall mail to each of its customers a copy of the above notice by April 18, 2006.

IT IS FURTHER ORDERED that the Company shall file certification of mailing as soon as practicable after the mailing has been completed.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing of same, notwithstanding the failure of an individual customer to read or receive the notice.

1 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
2 Communications) applies to this proceeding and shall remain in effect until the Commission's
3 Decision in this matter is final and non-appealable.

4 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
5 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

6 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
7 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

8 DATED this 13th day of March, 2006.
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JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

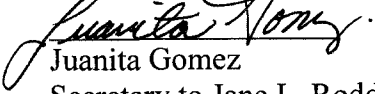
12 Copies of the foregoing mailed
13 this 13th day of March, 2006 to:

14 Naco Water Company, LLC
15 Attn: Bonnie L. O'Connor
16 P.O. Box 85160
Tucson, Arizona 85754

17 Christopher Kempley, Chief Counsel
18 Legal Division
19 ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

20 Ernest Johnson, Director
21 Utilities Division
22 ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

23 Arizona Reporting Service, Inc.
24 2627 N. Third Street, Suite Three
Phoenix, Arizona 85004-1103

25 By: 
26 Juanita Gomez
27 Secretary to Jane L. Rodda
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